

NIBIPA's Written submission to the Communities Committee December 2020

About

The Northern Ireland Brewery and Independent Pub Association (NIBIPA) is a voluntary organisation representing the 30 breweries licensed to operate in Northern Ireland (NI). We also include in our membership independent pubs that are not subject to a tie.

Summary

We welcome the opportunity to present our case to the Committee. While we support the proposals in the Licensing and Registration of Clubs (Amendment) Bill to enable small breweries to sell online and for sales off the premises, NIBIPA believes that it is a missed opportunity not to include taprooms within the Bill which would boost NI's economy and tourism offer and support the small brewing sector.

Current restrictions

In the past decade, there has been a resurgence of brewing in NI, with the number of breweries increasing from two in 2010 to 30 today.

However under the current licensing laws in NI, small breweries are restricted from selling their local products directly to the public. This places small producers at a competitive disadvantage, unable to meet consumer demand or support NI's broader economic and tourism goals. It also means that 99% of the beer currently sold in NI is imported and the vast majority manufactured by multinational companies.

As a result, small breweries have been forced to export the majority of their product, and their brands have become better known overseas than in their local market. Imagine if 99% of beef sold here was imported because local beef producers were cut off from the local market and forced to export.

Brewers in NI face two significant barriers to market as a direct result of the surrender principle; a pub sector which is tied to multinational breweries and therefore not open to small NI breweries and restrictions under the Licensing (Northern Ireland) Order 1996. These regulatory barriers means that breweries wishing to sell directly to the public (either through a taproom, shop or online) need to involve a third party at huge expense as a public house licence is simply unattainable without becoming tied to a multinational brewery.

Changes we would like to see

While we welcome the proposals in the Licensing and Registration of Clubs (Amendment) Bill to allow small producers to more easily sell their products online and for sales off the premises, we believe that this is a missed opportunity. NIBIPA would like to see changes in the Bill to allow small breweries to open a taproom and not to restrict onsales to samples after a tour. This is because:

- Taprooms are a proven model to create jobs, keep money in the local economy and offer a regulated and supervised environment where locals and tourists alike can share their mutual interest of craft beer.
- They allow breweries to build a brand, which encourages local pubs to get behind their local breweries in a symbiotic relationship.
- Breweries in Northern Ireland have been operating taprooms since 2014 by using occasional licenses borrowed from sympathetic publicans. Such events are community focused, family-friendly events taking place on industrial estates outside town and city centres.
- We operate in a heavily regulated environment; to open a Brewery you need licenses from various statutory bodies such as the Council and HMRC. We also comply with Health and Safety requirements and Food Standards. We have followed the Hospitality Ulster and Retail Consortium model and have written a Code of Practice for local breweries to follow. We produce premium products at a much higher price point than any multinational. Quality, not quantity.
- A precedent was set when the new licence category permitted consumption on site at National Stadium and at Conference Centres. Therefore it is possible to add another licence to allow local producers to add our produce to the local market and to give consumers the opportunity to buy something made here from local ingredients.
- There is cross party support for Taprooms, without the current proposed restrictions of samples and tour, as evidenced at the last reading on the Assembly floor.
- The Pubs in our Association do not see Brewery Taprooms as concerning competition. In fact, those local pubs not tied to the multinational breweries have been vocal in their support for taprooms as they have seen the benefit that increased demand from locals and tourists has had on their trade.
- We believe our proposals are reasonable and balanced. We have a huge amount of public support as evidenced in the consultation responses. We have support from the NI Retailers Consortium as confirmed at this Committee by Aodhan Connelly, from Hotel and Pub owners and from the Tourism Industry.

In addition:

- We would like to understand why the changes to Occasional licences as detailed in Clause 18 have been proposed.
- We would not support any Code of Practice being legislated for. This should clearly be included in guidelines and regulations only.

Proposed amendments

NIBIPA believes that the Committee should adopt an amendment to create a category of licence that allows on and off sales of their own products and collaborative products from their premises. This could be achieved through the following amendment:

1. 52B (1) A local producer's licence shall authorise-
 1. The sale of intoxicating liquor that is produced from, or collaborated by, the production premises
 2. The sale of intoxicating liquor for consumption in the production premises.
2. Remove 52B (2), (3), (4) (5), (7), (8), (9) in completion.